

## Message Text

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17

ACTION XMB-04

INFO OCT-01 EA-09 ISO-00 EB-07 AID-05 INT-05 TRSE-00 /031 W

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R 020846Z AUG 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 8257

UNCLAS MANILA 11363

E.O. 11652: N/A

TAGS: EFIN, RP

SUBJ: ORBIT PHILIPPINES CONSOLIDATED MINES PROJECT

REF STATE 167745

1. THE PROPOSED ORBIT PHILIPPINES CONSOLIDATED MINES PROJECT IS STILL VERY MUCH IN ITS CONCEPTUAL STAGE AS DETERMINED FROM A CONVERSATION WITH BENITO ROCES. ORBIT IS PRESENTLY MINING CHROMITE ORE ON A SMALL SCALE AND SELLING IT TO BENGUET CONSOLIDATED. BENGUET BENEFICIATES THE ORE AND EXPORTS IT ALONG WITH ITS OWN ORE. ORBIT WANTS TO FINANCE ADDITIONAL MINING EQUIPMENT, A BENEFICIATING PLANT, A ROAD, AND A WHARF TO PERMIT IT TO EXPORT DIRECTLY ITSELF. ROCES IS STILL LOOKING FOR POSSIBLE SUPPLIERS AND FINANCING PACKAGES. ROCES SAYS INITIAL ENQUIRY TO EXIMBANK WAS PRELIMINARY ONLY AND THAT PROJECT FEASIBILITY STUDY IS STILL BEING DEVELOPED.

2. MR ROCES STATES THERE ARE APPROXIMATELY TWO MILLION TONS OF ORE RESERVE IN THE CLAIM AREA. NO DIAMOND DRILLING TO BLOCK THE RESERVE HAS BEEN DONE BY ORBIT. THE BUREAU OF MINES STATES IT HAS NO INFORMATION ON THE RESERVES IN THE ORBIT CLAIM AND HAS NOT BEEN ASKED BY ORBIT TO CONFIRM THE ORE BODY. ORBIT HAS NOT APPLIED TO THE BOI FOR INVESTMENT INCENTIVES. IT IS NOT A MEMBER OF THE PHILIPPINE CHAMBER OF MINES. A BENGUET CONSOLIDATED OFFICIAL CONFIRMED THAT HIS FIRM DOES BUY FROM ZERO TO 3,000 TONS OF FIELD GRADE CHROMITE ORE PER MONTH FROM ORBIT, DEPENDING ON THE WEATHER. HE CHARACTERIZED ORBIT'S MINING AS STRICTLY A SHOE-STRING

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OPERATION. CHECKINGS WITH NUMEROUS OTHER TRADE SOURCES

REVEALED NO FIRST HAND INFORMATION AND/OR OPINIONS ABOUT ORBIT. ITS LOCAL CREDIT REFERENCES ARE GOOD.

3. A WTDR IS BEING PREPARED.

4. EMBASSY RECOMMENDS EXIM NOT INDICATE ANY EXPRESSION OF INTEREST IN THIS PROJECT. IF ORBIT AGAIN APPROACHES THE BANK, EXIM SHOULD REQUIRE ORBIT TO SUBMIT AN INDEPENDENT CONFIRMATION OF ORE RESERVES AND OWNERSHIP, AND A DETAILED FEASIBILITY STUDY.

SULLIVAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MINING INDUSTRY, BANK LOANS, CHROMIUM, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Errors:** N/A  
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**Office:** ACTION XMB  
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**Original Handling Restrictions:** n/a  
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**Reference:** 76 STATE 167745  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** SmithRJ  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 22 MAR 2004  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ORBIT PHILIPPINES CONSOLIDATED MINES PROJECT  
**TAGS:** EFIN, RP, XMB, (ROCES, BENITO)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006